

**BCT TECHNOLOGY BERHAD**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008 (UNAUDITED)**

	Unaudited	Audited
	As At End Of Current Quarter	As At End Of Current Quarter
	31/03/2008	31/12/2007
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Equipment	16,902	14,405
Development costs	9,009	7,217
Other investment	112	112
	<u>26,023</u>	<u>21,734</u>
<b>CURRENT ASSETS</b>		
Inventories	7,297	8,560
Trade receivables	22,934	22,228
Other receivables, deposits and prepayments	2,322	2,111
Fixed deposit with a licensed bank	3,082	3,060
Cash and bank balances	1,099	3,603
	<u>36,734</u>	<u>39,562</u>
<b>TOTAL ASSETS</b>	<u>62,757</u>	<u>61,296</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	13,415	13,415
Share premium	15,604	15,604
Other reserves	1	49
Retained earnings	26,864	26,775
	<u>55,884</u>	<u>55,843</u>
Minority interest	-	-
	<u>55,884</u>	<u>55,843</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	3,472	4,183
Other payables and accruals	2,668	1,190
Amount owing to directors	-	-
Bank Borrowings	733	80
	<u>6,873</u>	<u>5,453</u>
<b>TOTAL LIABILITIES</b>	<u>6,873</u>	<u>5,453</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>62,757</u>	<u>61,296</u>
Net Assets Per Share (RM)	0.42	0.42

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

**BCT TECHNOLOGY BERHAD (668945 - P)**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended	Preceding Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period
	<u>31/03/2008</u> RM'000	<u>31/03/2007</u> RM'000	<u>31/03/2008</u> RM'000	<u>31/03/2007</u> RM'000
Revenue	5,646	9,313	5,646	9,313
Cost of Sales	(3,696)	(4,319)	(3,696)	(4,319)
Other Income	<u>21</u>	<u>44</u>	<u>21</u>	<u>44</u>
Profit From Operations	1,971	5,038	1,971	5,038
Staff and Administrative Expenses	(1,172)	(1,751)	(1,172)	(1,751)
Other Operating Expenses	(704)	(673)	(704)	(673)
Finance Costs	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>
Profit before tax	89	2,608	89	2,608
Exceptional item		938		938
Income tax expenses	-	-	-	-
Profit for the period from continuing operations	<u>89</u>	<u>3,546</u>	<u>89</u>	<u>3,546</u>
Attributable to:				
Equity holders of the parent	89	3,546	89	3,546
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>89</u>	<u>3,546</u>	<u>89</u>	<u>3,546</u>
Weighted average number of shares in issue ('000)	134,156	121,960	134,156	121,960
Basic Earnings Per Share (sen)	0.1	2.9	0.1	2.9
Diluted Earnings Per Share (sen)^	N/A	N/A	N/A	N/A
Dividend Per Share (sen)	N/A	N/A	N/A	N/A

**Notes:**

^ No diluted earnings per share has been computed as the Group presently does not have any dilutive potential ordinary shares. The Group had established and implemented its ESOS II on 3 May 2006. However, no Options have been granted as of to date. As such the diluted earnings per share will only be computed upon granting of the ESOS II Options.

N/A: Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

**BCT TECHNOLOGY BERHAD (668945 - P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2008 (UNAUDITED)**

	<u>Share</u> Ordinary shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Forex Exchange Translation Reserve RM'000	Total RM'000
<b>3 months ended 31 March 2008</b>					
Balance at 1 January 2008	13,415	15,604	26,775	49	55,843
Net profit for the period	-	-	89	-	89
Currency translation differences	-	-	-	(48)	(48)
Balance at 31 March 2008	13,415	15,604	26,864	1	55,884

	<u>Share</u> Ordinary shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Forex Exchange Translation Reserve RM'000	Total RM'000
<b>3 months ended 31 March 2007</b>					
Balance at 1 January 2007	12,196	4,904	18,859	72	36,031
Net profit for the period	-	-	3,546	-	3,546
Currency translation differences	-	-	-	(43)	(43)
Balance at 31 March 2007	12,196	4,904	22,405	29	39,534

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008 (UNAUDITED)**

	<b>3 months ended 31/03/2008 RM'000</b>	<b>3 months ended 31/03/2007 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	89	3,546
Adjustments for non cash items:-		
Amortisation of development cost	97	17
Depreciation of plant and equipment	513	259
Interest expenses	6	6
Interest income	(21)	(44)
Operating profit before working capital changes	<u>684</u>	<u>3,784</u>
Decrease/(Increase) in inventories	1,263	3,734
Decrease/(Increase) in trade and other receivables	(917)	17,145
(Decrease)/Increase in trade and other payables	767	(18,526)
Cash generated from operating activities	<u>1,797</u>	<u>6,137</u>
Interest expenses	(6)	(6)
Interest income	21	44
Net cash generated from operating activities	<u>1,812</u>	<u>6,175</u>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(3,010)	-
Development costs	(1,889)	(971)
Net cash used in investing activities	<u>(4,899)</u>	<u>(971)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net drawdown of bank borrowings	653	(240)
Net cash generated from financing activities	<u>653</u>	<u>(240)</u>
Net increase in cash and cash equivalents	(2,434)	4,964
Foreign exchange translation differences	(48)	(35)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,663	6,179
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>4,181</u>	<u>11,108</u>
Break down of cash and cash equivalent at end of the financial period		
Bank overdraft	-	-
Cash and bank	1,099	6,083
Fixed deposits	<u>3,082</u>	<u>5,025</u>
	<u>4,181</u>	<u>11,108</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim Consolidated Financial Statements.

**BCT TECHNOLOGY BERHAD (668945-P)  
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**Interim Financial Report For The Financial Period ended 31 March 2008**

The figures have not been audited.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A Explanatory Notes Pursuant to Financial Reporting Standard 134 Interim Financial Reporting**

**A1. Basis of preparation**

The Interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Financial Reporting Standard (FRS) No.134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial statements should be read in conjunction with the Company's audited financial statements for the financial year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2007.

The following FRSs are effective for the Group's financial statements for the financial year ending 31 December 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Framework for the Preparation and Presentation of Financial Statements has been issued and is effective immediately. This Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not an MASB approved accounting standard and hence, does not define standards for any particular measurement or disclosure issue. The Group will apply this Framework from the financial year ended 31 December 2007 onwards.

The following IC Interpretations have been issued and are effective for financial periods beginning on or after 1 July 2007:-

## **A2. Changes in Accounting Policies (Cont'd)**

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environment Rehabilitation Fund
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 <sub>2004</sub> Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not applicable as they are not relevant to the Group.

FRS 139 - Financial Instruments: Recognition and Measurement has been issued and the effective date has yet to be determined by Malaysia Accounting Standards Board. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group will apply this standard when it becomes effective.

## **A3. Auditors' report on preceding annual financial statements**

The auditors' report on the Company's audited consolidated financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

## **A4. Seasonal or cyclical factors**

The Group's operations were not materially affected by seasonal or cyclical factors during the financial quarter under review and financial year-to-date.

## **A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

During the financial quarter under review and financial year-to-date, there were no items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence.

## **A6. Material changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that may have a material effect in the financial quarter under review.

## **A7. Debt or equity securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt or equity securities during the financial quarter under review and financial year-to-date.

**A8. Dividends paid**

There were no dividends paid during the financial quarter under review and financial year-to-date.

**A9. Segmental information**

Financial data by geographical segment for the Group for the financial year ended 31 March 2008 by billing:

	<b>Malaysia</b>	<b>Overseas</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM`000</b>	<b>RM`000</b>	<b>RM`000</b>	<b>RM`000</b>
<u>Revenue</u>				
Revenue from external customers	4,051	1,595	-	5,646
Inter-segment revenue	157	-	(157)	-
				<u>5,646</u>
<u>Results</u>				
Segmental results	<u>1,478</u>	<u>(1,569)</u>	<u>165</u>	<u>74</u>
				74
Finance costs				(6)
Other operating income				<u>21</u>
				89
Exceptional Item				-
Profit before taxation				<u>89</u>
Income tax				-
Profit after taxation				<u>89</u>

*Segmental results are determined after allocation of operating expenses to each geographical segment.*

	<b>Malaysia</b>	<b>Overseas</b>	<b>Elimination</b>	<b>Group</b>
	<b>RM`000</b>	<b>RM`000</b>	<b>RM`000</b>	<b>RM`000</b>
<u>Other information</u>				
Segmental assets	64,425	12,044	(13,712)	62,757
Unallocated corporate assets				-
				<u>62,757</u>
Segmental liabilities	2,559	15,401	(11,820)	6,140
Unallocated corporate liabilities				<u>733</u>
				<u>6,873</u>
Capital expenditure	4,395	30	-	4,425
Amortisation of development costs	97	-	-	97
Depreciation of equipment	380	133	-	513

**A10. Valuation of property, plant and equipment**

The Group has acquired two office units in Singapore in the last quarter of 2007. At this stages, The Group has not adopted any revaluation policy of its plants and equipment.

**A11. Material events subsequent to the end of the quarter**

There were no material events subsequent to the financial quarter ended 31 March 2008 that have not been reflected in the financial statements for the financial quarter under review.

**A12. Changes in the composition of the group**

There were no changes in the composition of the Group including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings and discontinued operations, during the financial quarter under review.

**A13. Contingent liabilities or contingent assets**

The Group does not have any contingent liabilities or contingent assets as at 31 March 2008.

**A14. Capital commitments**

There were no capital commitments for the Group as at 31 March 2008.

**A15 Significant related party transactions**

As at 31 March 2008, there were no significant related party transactions



**B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market**

**B1. Review of the performance for the Current Quarter and Year-to-date**

	Quarter ended		Year-to-date	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	5,646	9,313	5,646	9,313
Profit after tax	89	3,546	89	3,546

**1st Quarter 2008 vs. 1st Quarter 2007**

The Group posted revenue of RM5.646 million for the 3 months ended 31 March 2008, a decrease of 39.4% compared to the previous corresponding period of RM 9.313 million. The decline in revenue was mainly attributed to slower sales in Application-Specific Standard Product ("ASSP") during the quarter under review as a result of further deteriorating global consumer electronics market condition especially in USA, shorter than expected business window a results of the festive season, prolonged customer plant shut down due to the snow storm in China coupled with the price erosion of ASSP products. The delay in launching the two new IC products during the last quarter has further impacted this quarter's revenue.

The Group reported profit after tax of RM0.089 million for the quarter ended 31 March 2008 as compared with profit after tax of RM3.546 million for the corresponding quarter ended 31 March 2007. The lower profit recorded was mainly due to a drop in revenue for ASSP products. The gross margin declined from 53% of last corresponding period to 34% this quarter mainly attributable to higher direct costs and stiff price competition from competitors.

**B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter**

The Group posted revenue and profit after tax of RM5.646 million and RM0.089 million respectively for the current quarter ended 31 March 2008. Compared with the immediate preceding quarter, the Group's revenue decreased by RM1.546 million and profit after tax increased by RM0.63 million due to lower foreign exchange losses.

The decrease in profit margin was mainly due to slower than expected overall market condition and margin squeeze for existing ASSP chips products while the launch of new products shall only be realized in second half of the year.

**B3. Business prospects**

While Biometric and Power adapter chips, will be launched in the second quarter of 2008. The Group expects that market condition is expected to continue to be challenging.

LCD TV and Induction Cooker chips are expected to be launched in the second half of 2008.

**B4. Statement of revenue or profit estimate, forecast, projection or internal targets previously announced or disclosed in a public document**

There were no estimate, forecast, projection or internal targets were previously disclosed in a public document.

**B5. Variance of actual profit from forecast profit**

There was no forecast for the year which was disclosed in a public document.

**B6. Income tax**

The Company was granted Multimedia Super Corridor Status which qualifies the Company for Pioneer Status incentive under the Promotion of Investments Act, 1986 for the period from 30 September 2005 to 29 September 2010 whereby the statutory Income from Pioneer activities is exempted from tax.

**B7. Sale of unquoted investments and/or properties**

There were no disposal of unquoted investments and/or properties during the financial quarter under review and financial year-to-date.

**B8. Purchase or disposal of quoted securities**

There were no purchases or disposal of quoted securities for the financial quarter under review and financial year-to-date.

**B9a Corporate proposals**

There were no corporate proposals announced during the financial quarter under review and up to the date of issue of this report.

**B9b Status of utilisation of proceeds**

As at the date of this report, the gross proceeds raised from the Public Issue of RM15.01 million were/is to be utilised in the following manner:

	Proposed Utilisation	Actual Utilisation	Unutilised Amount	Deviations	Explanations	Intended Time Frame for Utilisation
	RM'000	RM'000	RM'000	RM'000 %		
(1) Development expenditure	4,500	4,500	-	-	-	Within 24 months from listing date (21 July 2006)
(2) Marketing and business development	4,000	3,420	580	-	-	Within 24 months from listing date
(3) Working capital	4,706	4,706	-	-	-	Within 12 months from listing date
(4) Estimated listing expenses	1,800	1,800	-	-	-	Within 1 month from listing date
<b>Total</b>	<b>15,006</b>	<b>14,426</b>	<b>580</b>	<b>-</b>	<b>-</b>	

#### Private Placement

As reported previously, the gross proceeds raised from the Private Placement of RM12.196 million have been fully utilized.

#### B10. Group borrowings and debt securities

The Group's borrowings as at 31 March 2008 are as follows:

	Short Term	Long Term	Total
<u>Secured</u>	RM'000	RM'000	RM'000
Bank Overdraft	-	-	-
Term Loan	733	-	733
	<u>733</u>	<u>-</u>	<u>733</u>

#### B11. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of the issue of this report.

#### B12. Material litigations

There were no material litigations or pending material litigations involving the Group as at the date of issue of this report.

#### B13. Dividends

No dividend has been declared or recommended in respect of the financial quarter under review.

#### B14. Earnings per share

The earnings per share were calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares of RM0.10 each during the reporting period as follows:

	Current Quarter Ended		Cumulative Quarter Ended	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Profits after tax (RM'000)	89	3,546	89	3,546
Weighted average numbers of ordinary shares of RM0.10 each for computing earnings per share are as follow:				
Basic ('000)	134,156	121,960	134,156	121,960
Diluted ('000) ^	N/A	N/A	N/A	N/A
Basic Earnings per Share(Sen)	0.1	2.9	0.1	2.9
Diluted Earnings per Share (Sen)	N/A	N/A	N/A	N/A

Notes:

<sup>^</sup> No diluted earnings per share has been computed as the Group presently does not have any dilutive potential ordinary shares. The Group had established and implemented its ESOS II on 3 May 2006. However, no Options have been granted as of 31 March 2008. As such the diluted earnings per share will only be computed upon granting of ESOS II Options.

N/A: Not applicable

**B15. Authorisation for issue**

The Interim Financial Statements and the accompanying notes were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors passed on 8 May 2008.

**BY ORDER OF THE BOARD  
BCT TECHNOLOGY BERHAD**